

War Tax Resisters Penalty Fund

October 2010

Appeal #43

Total: \$10,776 (including \$300 postage and printing, \$200 to NWTRCC)

Shares: \$38.90 (checks payable to WTRPF)

Number of active contributors: 277

Inactive members, 369

Appeal #42: \$10,089 requested

Total collected: \$7903 (78%)

Nobody made a greater mistake than he who did nothing because he could only do a little.
—Edmund Burke

Requests

Mike Palecek, Sheldon, Iowa, was charged \$5000 for filing a “frivolous tax return.” Mike, who is subject to withholding by his employer, had already paid his taxes. When it came time to file forms, he refused. “But even though merely symbolic, it’s something, some very little thing, in an effort to stand with those who have been stomped on by the government of George W. Bush, those in Iraq, and those in the United States, who have gone without health care, decent schools, roads, lived in poverty so that we might spread the American empire across the globe. “We agreed to try to help Mike cover some of the \$5,000. For his part, Mike will appeal the ruling and try to have the fine reduced. If the IRS refunds his fine, he will contribute the money collected by the War Tax Resisters Penalty Fund back to the fund to help others who need assistance.

In one of his letters of conscience to the IRS, Mike said, “We were given no choice as children whether or not to rise before class and say the pledge of allegiance to America’s wars. We’re not children anymore. Our acquiescence has real consequence.” He is a former federal prisoner for peace, serving time in county jails and federal prisons for protest against the United States military. Originally from Norfolk, Nebraska, he is a former small-town newspaper reporter, editor, publisher. He was the Iowa Democratic Party nominee for the United States House of Representatives, 5th District, in 2000. He received 65,000 votes on an anti-military, anti-prison, pro-immigration platform. He currently works at a group home for adolescent boys in northwest Iowa. See his website at The New American Dream: www.newamericandream.net.

\$5,000

Michael C. Moore, Tulluride, Colorado, Michael Moore makes his living as a seasonal ski instructor for people with cognitive and physical disabilities. Over the years he has worked for peace and justice organizations, such as Brethren Volunteer Service and Jubilee Partners where he was inspired to do war tax resistance by members of that intentional community. As a non-filer, Moore did not have contact with the IRS until he received a notice of levy, but he says in a letter to us, “I am resisting paying federal taxes to support the Iraq War in the years 2002 and 2003. Taxes to support that war only create more violence and bloodshed. The Iraq war also only serves to create more misunderstanding and distrust of the United States by the Iraqi people. ... War is not any kind of sane solution for right-minded people. This is why I oppose war in not paying my federal taxes in 2002 and 2003.” Michael requests help to pay \$5,276 in penalties and interest for tax years 2002 and 2003.

\$5,276

WTRPF Steering Committee: Cliff Kindy, Ken Brown, Mary Lutz, Leland Beery, Jeff Hunn, Yvonne Dilling, Julie Garber

WTRPF News

The “return” of the frivolous penalty. When the IRS first devised the “frivolous penalty,” it set the rate at \$500. Recently the IRS has raised the rate to \$5000, though penalized tax payers can appeal the penalty... but only after it’s been seized. Since we’re pitching in to help Mike Palecek who was assessed a frivolous penalty (it seems to us the penalty is the frivolous thing!), we thought we would pass on a little information from NWTRCC to war tax resisters about the frivolous penalty. According to IRS memo FS-2008-19, March 2008:

You may have to pay a penalty of \$5,000 if you file a frivolous tax return or other frivolous submissions. If you jointly file a frivolous tax return with your spouse, both you and your spouse each may have to pay a penalty of \$5,000. A frivolous tax return is one that does not include enough information to figure the correct tax or that contains information clearly showing that the tax you reported is substantially incorrect. You will have to pay the penalty if you filed this kind of return or submission based on a frivolous position or a desire to delay or interfere with the administration of federal tax laws. This includes altering or striking out the preprinted language above the space provided for your signature. This penalty is added to any other penalty provided by law.

NWTRCC notes that last year when a WTR couple were slapped with \$5,000 each (later lifted) for their joint return that enclosed a letter of protest and a \$50 resistance, many of us were surprised both were penalized for the one return. This language from the IRS makes it clear that a joint return can incur two penalties. However, it is also fairly clear that the penalty applies when the ‘tax you reported is substantially incorrect.’ Enclosing a letter is not enough to invite a frivolous penalty—although not all IRS workers understand this distinction.” Interestingly, the penalty for failing to file altogether is usually 5 percent of the unpaid taxes for each month or part of a month that a return is late, but cannot exceed 25 percent of the taxpayer’s unpaid taxes. (From *More than a Paycheck*, June 2009)

What drives the military budget up and up? In their March/April 2010 newsletter, Friends Committee on National Legislation (FCNL) reports on the research of Carol Conetta with the Project on Defense Alternatives. Conetta attributes the spiraling Pentagon budget in the last twelve years to three “drivers,” and they’re not the current wars in Iraq and Afghanistan. The wars account for only half the increases in military spending since 1998. Instead, Conetta, says the three major factors are **unfocused modernization** (adding new weapons technologies without ending useless weapons that are outdated); **an all-volunteer army** (which is expensive to maintain. “The military was not designed or built to sustain so many of its personnel in large scale occupation and counter-insurgency duties for years on end.”); and **an exploding Pentagon mission** (defending against actual threats, maintaining a global presence, and peace time activities, among others). FCNL provides clear explanations of where tax dollars go and how much is used for military spending. See their website at www.fcnl.org.

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